

## Message Text

SECRET

PAGE 01 TEHRAN 12153 161033Z

14

ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

----- 051960

O 160913Z DEC 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC NIACT IMMEDIATE 4778

S E C R E T TEHRAN 12153

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

DEPT PLEASE PASS TO THE SECRETARY

E.O. 11652: GDS

TAGS: MASS, IR

SUBJECT: IRANIAN MILITARY WEAPONS PURCHASE CANCELLATION

REF: TEHRAN 12136; TEHRAN 12152

1. IN SEPARATE REFTEL MESSAGES WE REPORTED THAT WE WERE TOLD BY GENERAL TOUFANIAN AND FOREIGN MINISTER KHALATBARY THAT IRAN MAY HAVE TO CUT BACK ON MILITARY AND CIVILIAN PURCHASES FROM US IF OIL LIFTINGS REMAIN AT THEIR PRESENT LOW LEVEL. WHILE IT IS CERTAINLY TRUE THAT OIL LIFTINGS FROM IRAN HAVE FALLEN OFF(FROM 5.6 MILLION BARRELS PER DAY IN THE LAST CALENDAR YEAR TO 4.9 MILLION BARRELS PER DAY IN THE CURRENT YEAR), ACTUAL OIL REVENUES ARE UP THIS YEAR PARTLY DUE TO PRICE INCREASES AND PARTLY DUE TO A DEFERRED PAYMENT(\$18.7 BILLION LAST IRANIAN YEAR; \$20.? BILLION THIS YEAR). WHEN I LAST SAW THE SHAH ON NOBEMBER 29, I CARE-FULLY REVIEWED WITH HIM THE EFFORTS SECRETARY RUMSFELD AND THE DEPARTMENT OF DEFENSE WERE MAKING TO ENSURE THAT HE WAS ADEQUATELY AND PROMPTLY INFORMED ABOUT PRICE INCREASES FOR MAJOR WEAPONS SYSTEMS HE WAS GETTING OR PLANNED TO GET FROM US AND THE REASONS THEREFOR. WHILE HE WAS OBVIOUSLY CONCERNED ABOUT THESE SUBSTANTIAL PRICE INCREASES, HE NEVERTHELESS SEEMED TO ACCEPT OUR RE-

SECRET

SECRET

PAGE 02 TEHRAN 12153 161033Z

ASSURANCES THAT WE WERE DOING THE BEST WE COULD AND GAVE

NO INDICATION THAT HE MIGHT IN FACT HAVE TO CUT BACK HIS PLANS TO THE EXTENT DESCRIBED IN REFTELS. THIS LEADS ME TO WONDER WHETHER THERE IS SOMETHING MORE TO THIS THAN MEETS THE EYE. FOR EXAMPLE, IS IT POSSIBLE THAT THERE WAS NO MEETING OF THE MINDS AND LITTLE OR NO PROSPECT THAT SOME AGREEMENT MIGHT BE REACHED ON A BILATERAL OIL DEAL WHEN YOU SAW HUSHANG ANSARY IN LONDON ON DECEMBER 14? I CAN WELL IMAGINE THAT A NEGATIVE REPORT TO THE SHAH FROM ANSARY MIGHT WELL HAVE CONVINCED HIM THAT, AS THINGS NOW LOOK, HE CANNOT AFFORD TO DO ALL THE THINGS HE HAD PLANNED IN HIS MILITARY MODERNIZATION PROGRAM. AS YOU KNOW, HE HAS OFTEN ASKED US IN THE PAST TO PUT PRESSURE ON THE OIL COMPANIES TO INCREASE THEIR LIFTINGS FROM IRAN IN THE CONTEXT OF HIS NEEDS VERSUS THE NEEDS OF OTHER NEARBY OIL PRODUCERS. GIVEN HIS PERCEPTIONS OF PRESENT AND FUTURE REQUIREMENTS, I AM NOT SURPRISED THAT HE SHOULD RETURN TO THIS THEME.

2. ANOTHER FACTOR THAT MAY HAVE ENTERED INTO HIS THINKING AND THE TIMING OF HIS MESSAGE TO US MAY ARISE FROM PRESS REPORTS THAT YOU INTENDED TO TAKE A FIRM STAND AT THE OPENING OF THE CIEC AND TO DEPLORE PUBLICLY OIL PRICE INCREASES. HIS MESSAGE ABOUT REDUCING US PURCHASES COULD BE A WARNING AGAINST TOO FIRM A US LINE IN THE CIEC.

3. FINALLY, ADMIRAL ATTAIE IS NOW IN WASHINGTON TO DISCUSS IRANIAN NAVY PURCHASE PLANS WITH DOD. IT MAY BE THAT ATTAIE HAS BEEN ARMED WITH ADDITIONAL BARGAINING POWER FOR HIS DISCUSSIONS.

4. BEFORE TALKING WITH THE SHAH OR OTHER GOI OFFICIALS FURTHER, I BELIEVE IT WOULD BE HELPFUL TO KNOW THE OUTCOME OF YOUR TALK WITH ANSARY.  
HELMS

NOTE BY OC/T: TEL PROCESSED AS IS. CORRECTION TO FOLLOW.

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, MILITARY SALES, PRICES, CAT-C, CHEROKEE 12/16/75  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975TEHRAN12153  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** P840084-0308  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751237/aaaabhdf.tel  
**Line Count:** 96  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NODS  
**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** NODIS  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** NODIS  
**Reference:** 75 TEHRAN 12136, 75 TEHRAN 12152  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 JUN 2003 by ElyME>; APPROVED <06 NOV 2003 by johnsorg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IRANIAN MILITARY WEAPONS PURCHASE CANCELLATION  
**TAGS:** MASS, ENRG, IR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006